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Before the COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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In re: Bell Atlantic- Massachusetts January 14,) DTE 98-57 &
2000 filing of terms, conditions and proposed) DPU/DTE 96-73/74,
non-recurring charges for) DPU/DTE 96-75

unbundled network element combinations) DPU/DTE 96-80/81

) DPU/DTE 96-83

) DPU/DTE-96-94 .)

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INITIAL COMMENTS OF MCI WORLDCOM, INC. REGARDING

BELL ATLANTIC'S JANUARY 14, 2000 FILING OF TERMS,

CONDITIONS AND NON-RECURRING CHARGES FOR

UNBUNDLED NETWORK ELEMENT COMBINATIONS

I. PROCEDURAL BACKGROUND

MCI WorldCom, Inc. ("MCI WorldCom") submits these comments in response to the Hearing Officer's February 3, 2000 Memorandum in Docket No. 98-57(1) requesting comments on Bell Atlantic's January 14, 2000 filing in the above referenced

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proceedings. In her Memorandum, Hearing Officer Foster Evans requested CLECs to (1) comment on Bell Atlantic's proposed UNE Platform ("UNE-P") and House and Riser Cable Compliance filings, (2) identify any issues requiring an evidentiary proceeding, and (3) include a recommended procedural schedule for such hearings. Memorandum, p. 1. MCI WorldCom responds as follows.

II. DISCUSSION

Although MCI WorldCom is pleased that after three years of protracted litigation, Bell Atlantic has finally offered a UNE Combinations product that does not include arbitrary sunset provisions or restrictions on a CLEC's ability to purchase UNE-P for new lines, and has eliminated many of the unreasonable restrictions that have heretofore plagued Bell Atlantic's successive UNE-P filings, MCI WorldCom remains frustrated by Bell Atlantic's continuing attempts to inflate the cost of unbundled network combinations by including non-recurring charges ("NRCs") in its proposal that blatantly fail to comply with Department orders. Such an approach does little to advance the goal of competition, and instead rewards Bell Atlantic for its intransigence by allowing Bell Atlantic to retain its local monopoly as CLECs are forced to once again engage in protracted litigation. For example, although Bell Atlantic claims that this filing is made in compliance with the Department's Phase 4-P Order in the Consolidated Arbitrations which addressed the terms and conditions of Bell Atlantic's UNE-P offering, it has made no attempt whatsoever to comply with the Department's Order in Phase 4-0 of the Consolidated Arbitrations, released the very same day, addressing the NRCs to be applied to Bell Atlantic's offerings. The Phase 4-0 Order, which was released well over a month ago, requires Bell Atlantic to make significant changes to the NRC cost study submitted to the Department on January 5, 2000. Although Bell Atlantic submitted a revised NRC compliance filing on February 9, 2000 in response to the Phase 4-0 Order, that filing did not include NRCs for UNE-P. Similarly, Bell Atlantic's UNE-P compliance filing at issue in this proceeding relies completely on the Bell Atlantic's January 5, 2000 NRC study which was rejected in the Phase 4-0 Order, and does not include any of the modifications required by the Department in that order. This fact alone requires that the charges proposed in the UNE-P filing at issue here be rejected out of hand.

In addition to including inflated costs in its UNE-P proposal, Bell Atlantic has provided little guidance as to how many of those rate elements will be applied. For example, Bell Atlantic proposes a "manual intervention surcharge" but does not explain in any meaningful way how or when that charge will be applied or what cost the manual surcharge is intended to recover. (2) Additionally, the source documentation is confusing making it difficult if not impossible to determine what is the actual cost that Bell Atlantic proposes for the manual intervention surcharge. (3) Another disturbing observation is the fact that the manual surcharge Bell Atlantic proposes for migrations (\$40.38) is almost twice the proposed rate as it is for new loop-port combinations (\$21.05). (Compare, Summary of Cost/Rate Elements required for UNE-Platform Services, p. 1 of 2, Column C line 10, and p. 2 of 2 column C line 10) This makes little sense since migration of a Bell Atlantic retail customer to UNE-P should not include much if any manual intervention at all. In a footnote, Bell Atlantic states that the NRCs for migrations are based on "hot-cut" costs (Id. p. 1 of 2, note 1). However, this explanation also makes little sense since the migration of a Bell Atlantic retail customer to UNE-P entails a process that is significantly different and less complicated than the loop hot-cut process. Again, Bell Atlantic provides no support for its apparent belief that the two processes are analogous from a cost standpoint.

In addition, Bell Atlantic should be required to explain what exactly it means by a "new combination". The proposed tariff defines a "new combination" as, "the connection of a previously uncombined unbundled loop and a port (to a specific business or residence end user customer) for the provision of local exchange and associated switched access service." In some circumstances, charges will differ for a "new" combination vis-a-vis a "migration" (otherwise known as an "existing" combination). For example, Bell Atlantic proposes a service connection central office wiring charge in its proposal. This charge would apply based on the type of switch port ordered and only to "new orders" No wiring, however, should be necessary

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where the loop and port are already connected, as in the case of a second line. Accordingly, Bell Atlantic should be required to clarify that "new UNE-P" is limited to those instances where new construction of a new line is necessary, and does not include second lines that have been wired into a customer's premises but are not actually "turned up" and providing service.

Bell Atlantic will continue to benefit from its historic monopoly status and CLECs will remain without a viable local market entry vehicle more than for years after the passage of the Telecommunications Act of 1996 if Bell Atlantic is not required to provide unrestricted UNE-P. In order to prevent Bell Atlantic from profiting from proposed UNE-P rates that it well knows are not in compliance with Department orders, MCI WorldCom makes the following recommendations:

The Department should order Bell Atlantic to begin offering unrestricted UNE-P immediately

The Department should order Bell Atlantic to withdraw the rates proposed in the Bell Atlantic compliance filing and refile rates that are consistent with the Department's Order in Phase 4-0 of the Consolidated Arbitrations and which will be examined as part of the Department's on-going investigation into Bell Atlantic's NRC compliance filing

The Department should allow the terms of Bell Atlantic's UNE-P filing to go into effect immediately. Until permanent rates for UNE-P NRCs are adopted, CLECs should be permitted to purchase UNE-P at the existing TELRIC rates for the elements comprising UNE-P without being subject to NRCs proposed by Bell Atlantic. Once permanent rates for NRCs for UNE-P are adopted, then those rates can be implemented by the Department subject, to a true up. This approach is consistent with the Department's approach for assessing NRCs for unbundled network elements.

The Department should require Bell Atlantic to file a direct case indicating how it intends each of the proposed NRCs will be applied. Once Bell Atlantic complies with these recommendations, the Department should afford CLECs the opportunity to review the new filing and to submit discovery, and rebuttal testimony on Bell Atlantic's direct case as they deem necessary. Until Bell Atlantic complies with the above suggestions, however, it will be impossible to determine the extent such process is necessary.

III. CONCLUSION

For the reasons above, MCI WorldCom urges the Department to adopt the recommendations made herein.

Respectfully submitted,

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1. Hereinafter, " Memorandum. "
2. See Tari ff MDTE 17, Part B Secti on 15.4.1.B.4
3. For example, the source data for the \$21.05 proposed "manual surcharge" for a single loop-port combination is apparently comprised of adding together the \$21.05 labor rate for the CATC for the loop plus the \$21.48 CATC labor rate for the port. (See Source of Cost/Rate Elements Required for UNE-Platform Services, p. 1 of 2 and Summary of Cost/Rate Elements Required for UNE-Platform Services, p. 2 of 2 of Bell Atlantic's January 14, 2000 filing. This would come out to a charge of \$42.53; however, the spreadsheet indicates that the manual surcharge in this circumstance would be \$21.05. Accordingly, in this instance, it appears that Bell Atlantic has charged only for the manual surcharge for the loop component in this filing. In the new NRC compliance filing filed by Bell Atlantic on February 9, 2000, the CATC labor rate for the loop is \$0.00 and the CATC labor rate again for the port is \$21.48. Bell Atlantic has not indicated what, if any manual surcharge it will now propose as a result of this change to the NRC cost study.